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TRANSMITTAL OF APPEAL BRIEF (Large Entity)

Docket No.
END920000019US1

In Re Application Of: Grenchus et al.

Serial No.
09/524,366Filing Date
3/14/2000Examiner
Shaffer, Eric T.Group Art Unit
3623

Invention: METHOD OF DEMANUFACTURING A PRODUCT

TO THE COMMISSIONER FOR PATENTS:

Transmitted herewith in triplicate is the Appeal Brief in this application, with respect to the Notice of Appeal filed on

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Grenchus *et al.*

Examiner: Shaffer, Eric T.

Serial No.: 09/524,366

Art Unit: 3623

Filed: 3/14/2000

For: **METHOD OF DEMANUFACTURING A PRODUCT**

Commissioner for Patents
P.O. Box 1450
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BRIEF OF APPELLANT

This Appeal Brief, pursuant to the Notice of Appeal filed March 5, 2004, is an appeal from the rejection of the Examiner dated January 7, 2004.

REAL PARTY IN INTEREST

International Business Machines, Inc. is the real party in interest.

RELATED APPEALS AND INTERFERENCES

None.

STATUS OF CLAIMS

Claims 1, 2 and 5-10 are currently pending. Claims 1, 2 and 5-10 have been rejected.

This Brief is in support of an appeal from the rejection of claims 1, 2 and 5-10.

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STATUS OF AMENDMENTS

There are no After-Final Amendments which have not been entered.

SUMMARY OF INVENTION

The present method determines a method, computer system, and computer program product for optimally demanufacturing an electronic product to recover a largest revenue. See Abstract, page 17, lines 5-7; specification, page 10, lines 6-10. The electronic product has a plurality of parts. See specification, page 4, lines 17-18. Each parts comprises one or more commodities. See specification, page 4, lines 18-19; page 6, lines 14-15. A resale price is collected for the electronic product. See specification, page 4, line 19. One or more resale prices is collected for one or more of the parts. See specification, page 4, line 20; page 8, lines 21-22. One or more commodity prices are collected for one or more of the commodities. See specification, page 4, lines 21-22; page 8, lines 1-2. It is determined if the electronic product contains hazardous materials, and if so, a hazardous materials handling expense is determined. See specification, page 7, lines 14-16; page 9, line 28 - page 10, line 2. A labor expense to remove each part from the electronic product is determined. See specification, page 5, lines 14-15; page 11, lines 8-11.

The resale price for the electronic product, the one or more resale prices for the one or more parts, the one or more commodity prices, the labor expense, and the hazardous materials handling expense, if any, are entered into a computer model. See specification; page 9, lines 4-5. The computer model is executed to determine a highest commodity value irrespective of the one or more resale prices for one or more of the parts, or the resale price for the electronic product.

The computer model is executed to determine a highest removed parts value irrespective of the one or more commodity prices for one or more of the commodities, or the resale price for the electronic product. The computer model is executed to make a determination as to which of the resale price for the electronic product, the highest removed parts value less the labor expense, and the highest commodity value is greater and which of the parts, if any, should be removed from the electronic product so as to recover the largest revenue. See specification; page 10, lines 6-22; page 11, lines 6-11. In response to the preceding determination, either the electronic product is offered for resale, or the parts which were determined to be removed are removed, if any, and the parts for resale are offered, the hazardous materials, if any, are removed, any remaining parts are separated into the commodities, and the commodities are offered for resale. See specification; page 10, lines 23-25.

The resale prices, the commodity prices, the hazardous materials handling expense, and the labor expense may be provided from a database, wherein the database is periodically updated. See specification; page 8, lines 8-9, 13-17, 24-25; page 9, lines 1-3.

The computer model may be a spreadsheet model. See specification; page 8, lines 5-7.

ISSUES

1. Whether claims 1, 2, and 5-10 are unpatentable under 35 U.S.C. §103(a) over Suzuki et al. (5,965,858) in view of Graff (US 5,802,501).

GROUPING OF CLAIMS

The claims are grouped as shown in Table 1.

Table 1

Group	Claims	Do Claims of Group Stand or Fall Together?
1	1 and 5-10	Yes
2	2	Yes

The claims of Group 2 do not stand and fall together with the claims of Group 1, because the claims of group 2 include the following issue not present in any of the claims of Group 1:

“wherein said resale prices, said commodity prices, said hazardous materials handling expense, and said labor expense are provided from a database, wherein said database is **periodically updated**” (emphasis added).

ARGUMENT

Issue 1

CLAIMS 1, 2, AND 5-10 ARE NOT UNPATENTABLE UNDER 35 U.S.C. §103(A) OVER SUZUKI ET AL. (5,965,858) IN VIEW OF GRAFF (US 5,802,501).

The Examiner rejected claims 1, 2, and 5-10 as allegedly being unpatentable under 35 U.S.C. §103(a) over Suzuki et al. (5,965,858) in view of Graff (US 5,802,501).

Group I: Claims 1 and 5-10

A first reason why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that Suzuki in view of Graff does not teach or suggest the following feature of claims 1 and 5-10: “determining a hazardous materials handling expense”. The Examiner argues that “Suzuki et al teaches ... the cost to handle hazardous material (column 7, lines 57 - 58, "the energy-resource-destined material buyer"), where a buyer would contain the prices of items to be bought”. For context, Appellants next quote col. 7, lines 56-59 of Suzuki: “the energy-resource-

destined materials are transferred to the energy-resource-destined material buyer 13 (route 14b) with the waste materials being disposed of for reclamation (route 14c)".

Thus, the preceding argument by the Examiner is based on inferring from col. 7, lines 57-58 of Suzuki that Suzuki teaches that the buyer pays a price for the hazardous material purchased. In response, Appellants contend that the price that the buyer pays for the hazardous material is not "a hazardous materials handling expense". In fact, Suzuki does not anywhere disclose how the price that the buyer pays for the hazardous item is determined, and Suzuki does not anywhere disclose a relationship between the price that the buyer pays for the hazardous item and the hazardous materials handling expense. Appellants maintain that a hazardous materials handling expense cannot be inferred from the price that the buyer pays for the hazardous material. Therefore, Appellants respectfully contend that Suzuki does not teach "determining a hazardous materials handling expense". Accordingly, claims 1, 9, and 10 are not unpatentable under over Suzuki in view of Graff.

A second reason why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that Suzuki in view of Graff does not teach or suggest the following feature of claims 1 and 5-10 : "determining a labor expense to remove said each of said parts from said electronic product". The Examiner argues that "Suzuki et al teaches ... determination of the labor expenses and hazardous materials handling expense of removing electronic parts from computer products, however he does tabulate the "standard number of disassembling steps or processes involved hours)" (column 35, lines 23 - 24), where hours can easily be translated into an expense by multiplying the hours by an hourly salary rate."

In response, Appellants contend that the Examiner's argument that "hours can easily be translated into an expense by multiplying the hours by an hourly salary rate" is erroneous, for at least the following three reasons.

A first reason why the Examiner's argument (in relation to determining labor expense for removing the parts) is erroneous is that the Examiner assumes without providing supporting evidence that the labor expense is hourly based as opposed to a fixed fee the particular job involved. A fixed fee would depend not only on the hours required but also on the level of skill required for the particular job, which is not disclosed by Suzuki. Thus, there is no enablement in Suzuki for determining the labor expense based on a fixed fee.

A second reason why the Examiner's argument (in relation to determining labor expense for removing the parts) is erroneous is that, even if the labor expense is based on an hourly rate, the hourly rate would depend not only on the hours required but also on the level of skill required for the particular job, which is not disclosed by Suzuki. Thus, there is no enablement in Suzuki for determining the labor expense based on an hourly rate.

A third reason why the Examiner's argument (in relation to determining labor expense for removing the parts) is erroneous is that, even if the labor expense could be determined (which it cannot be as explained *supra*), the Examiner has not provided any argument as to why it is obvious to determine the labor expense in conjunction with Suzuki's invention. By not even addressing the issue of why it is allegedly obvious to determine the labor expense in conjunction with Suzuki's invention, the Examiner has not established a *prima facie* case of obviousness in relation to claims 1 and 5-10 .

A third reason why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that Suzuki in view of Graff does not teach or suggest the following feature of claims 1 and 5-10: “mak[ing] a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue”.

When referring to Suzuki, the Examiner mistakenly considers the issue to be “determin[ing] the highest revenue value of a commodity in order to determine which parts to remove and sell”. The preceding feature of claims 1 and 5-10 recites determining which of three values is the highest value, namely the value of the electronic product, the value of removed parts, and the value of the commodities derived from removed parts. However, according to the preceding argument by the Examiner, Suzuki is only disclosing and comparing commodity values, since the Examiner has not cited Suzuki for disclosing and comparing commodity values, part values, and the product value. Therefore in relation to Suzuki, this feature of claims 1 and 5-10 does not read on Suzuki’s alleged teaching of “determin[ing] the highest revenue value of a commodity in order to determine which parts to remove and sell”.

Similarly, the Examiner argues that “Graff teach[es] ... finding the highest commodity value of the removed parts or subcomponents of a property (column 3, lines 20 - 22, “it is frequently possible to sell the components of the property for more than the price of that property”) or a part (column 29, lines 58 - 60, “input data characterizing at least one of the two components decomposed from the property”) and for performing a separation that will “maximize profitability of the components” (column 6, lines 25 - 27).” Thus, the portion of

Graff cited by the Examiner discloses only the value of a property and the value of the parts within the property. The Examiner has not taken into account that the preceding feature of claims 1 and 5-10 requires additionally consideration of the commodity value derived from the parts in addition to the value of the products and the constituent parts as explained *supra*. The Examiner has not even attempted to ascertain what constitutes parts and what constitutes commodities in the disclosure of Graff. This erroneous omission of commodity values in relation to Graff is reflected in the following argument provided by the Examiner for why it is allegedly obvious to modify Suzuki by the alleged teaching of Graff: "It would have been obvious to a person of ordinary skill in the art at the time the invention was made to consider the revenue generated from recovered parts and the cost associated with removing said parts in determining which parts to disassemble and recycle from a larger property because this would prevent a recycler from recycling parts that were not cost effective to recover and would provide the highest profit to one in the recycling business." Therefore in relation to Graff, this feature of claims 1 and 5-10 does not read on Graff as alleged by the Examiner.

A fourth reason why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that Suzuki in view of Graff does not teach or suggest the following feature of claims 1 and 5-10: "mak[ing] a determination as to which of said resale price for said electronic product, said highest removed parts value **less said labor expense**, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue" (emphasis added).

The Examiner cites col. 35, lines 23-24 of Suzuki, which teaches only that labor steps or

hours are stored in a database. Suzuki does not teach subtracting labor expenses from “said highest removed parts value” as required by claims 1 and 5-10. The Examiner does not even allege that either Suzuki or Graff teaches subtracting labor expenses from “said highest removed parts value” as required by claims 1 and 5-10. Therefore, Appellants assert that claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff.

A fifth reason why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that Suzuki in view of Graff does not teach or suggest the following feature of claims 1 and 5-10: “**executing said computer model** [such as a computer spreadsheet model] to make a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue” (emphasis added). The Examiner admits that “Suzuki et al does not specifically mention creating a computer spreadsheet model that determines the highest revenue value of a commodity in order to determine which parts to remove and sell. ”. The Examiner argues that “[i]t would be obvious to incorporate a computer do this because it would make calculations faster and more accurate to calculate.”

In response, Appellants contend that the Examiner’s argument as to why it is obvious to incorporate use of a computer in Suzuki is not persuasive, because the Examiner has not identified any “calculations” for implementing Suzuki’s invention. In the absence of any evidence showing a need to perform calculations, as well as evidence of calculations that would be obviously improved in some manner through use of a computer, the Examiner has failed to

establish a *prima facie* case of obviousness in relation to claims 1 and 5-10.

A sixth reason why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that the Examiner has cited the highly non-analogous art of Graff to modify Suzuki.

Graff discloses a method for decomposing property into separately valued components that will "maximize profitability of the components" (column 6, lines 25-27). However, the property and components described in Graff are exclusively in the domain of real estate, and not electronic products. Graff considers such factors as cash flow, interest rates, terms of financing, taxes, risk, etc., and uses financial instruments such as estates and trusts to maximize the profitability of separately valued real estate components.

Accordingly, Graff is not in the field of Appellants' endeavor, nor is Graff pertinent to the problem solved by Appellants' claimed invention, to wit, demanufacturing an electronic product to recover the largest revenue possible. Furthermore, a person of ordinary skill in the art of electronic product demanufacturing could not be reasonably expected to consider a document which provides teachings exclusively in the domain of real estate when conceiving of the instant invention.

Graff is therefore nonanalogous art, and its removal from further consideration as a reference is respectfully requested pursuant to MPEP 2141.01(a). "In order to rely on a reference as a basis for rejection of an Appellant's invention, the reference must either be in the field of Appellant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned." *In re Oetiker*, 977 F.2d 1443, 1446, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992).

In addition, Graff is nonanalogous art with respect to Suzuki which deals with the art of discarded articles capable of being recycled which is totally outside of Graff's field of real property. Accordingly, the fact that Graff is nonanalogous art with respect to Suzuki makes it not obvious to modify Suzuki by the teaching of Graff, as was attempted by the Examiner with respect to the following feature of claims 1 and 5-10: "mak[ing] a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue", which was discussed *supra* in conjunction with the third reason as to why claims 1 and 5-10 are not unpatentable under over Suzuki in view of Graff is that Suzuki.

Group I: Claims 1 and 5-10

Since claim 2 depends from claim 1, which Appellants have argued *supra* to be patentable under 35 U.S.C. §103(a), Appellants maintain that claim 2 is not unpatentable under 35 U.S.C. §103(a).

In addition, Suzuki in view of Graff does not teach or suggest the following feature of claim 2: "wherein said resale prices, said commodity prices, said hazardous materials handling expense, and said labor expense are provided from a database, wherein said database is **periodically updated**" (emphasis added).

The Examiner argues: "As per claim 2, Suzuki et al teaches the method of claim 1, wherein said resale prices, said commodity prices, said hazardous materials handling expense

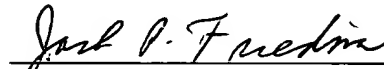
and said labor expense are provided from a database wherein said database is periodically updated (column 10, lines 3140, "the market information database stores therein the market prices of the used articles for each of the types of the articles so that the market price information can be obtained when the restored article such as the restored televisions are to be recycled as the used article, as can be seen from FIG. 30. Besides, the information concerning the market prices of the used component parts of the article is also stored so that the market prices of the parts can be made available when they are to be recycled as the used parts") and (column 8, lines 55 - 57, "the recycle method decision processor unit further includes a recycle method decision module which stores therein a recycle processing decision procedure"."

Appellants contend that the preceding citation in Suzuki discloses when market price information can be obtained from the database which contains said market price information. The preceding citation in Suzuki does not disclose when the market price information is actually placed in the database and therefore does not disclose the preceding "periodically updating" feature of claim 2. Accordingly, Appellants contend that claim 2 is not unpatentable over Suzuki in view of Graff.

SUMMARY

In summary, Appellant respectfully requests reversal of the January 7, 2004 Office Action rejection of claims 1, 2 and 5-10.

Respectfully submitted,



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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Grenchus *et al.*

Examiner: Shaffer, Eric T.

Serial No.: 09/524,366

Art Unit: 3623

Filed: 3/14/2000

For: **METHOD OF DEMANUFACTURING A PRODUCT**

Commissioner for Patents
P.O. Box 1450
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APPENDIX - CLAIMS ON APPEAL

1. A method for optimally demanufacturing an electronic product to recover a largest revenue, said method comprising:

providing said electronic product for demanufacturing, said electronic product having a plurality of parts, wherein each of said parts comprises one or more commodities;

collecting a resale price for said electronic product;

collecting one or more resale prices for one or more of said parts respectively;

collecting one or more commodity prices for one or more of said commodities respectively;

determining if said electronic product contains hazardous materials, and if so, determining a hazardous materials handling expense;

determining a labor expense to remove said each of said parts from said electronic product;

entering said resale price for said electronic product, said one or more resale prices for said one or more parts, said one or more commodity prices, said labor expense, and said hazardous materials handling expense, if any, into a computer model;

executing said computer model to determine a highest commodity value irrespective of said one or more resale prices for one or more of said parts, or said resale price for said electronic product;

executing said computer model to determine a highest removed parts value irrespective of said one or more commodity prices for one or more of said commodities, or said resale price for said electronic product;

executing said computer model to make a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue; and

in response to said determination, either offering said electronic product for resale, or removing said parts which were determined to be removed, if any, and offering said parts for resale, removing said hazardous materials, if any, separating any remaining parts into said commodities, and offering said commodities for resale.

2. The method of claim 1, wherein said resale prices, said commodity prices, said hazardous materials handling expense, and said labor expense are provided from a database, wherein said database is periodically updated.

5. The method of claim 1, wherein said computer model is a spreadsheet model.

6. A method for determining an optimal extent to demanufacture an electronic product to recover a largest revenue, said method comprising:

providing said electronic product for demanufacturing, said electronic product having a plurality of parts, wherein each of said parts comprises one or more commodities;

collecting one or more resale prices for one or more of said parts respectively;

collecting one or more commodity prices for one or more of said commodities respectively;

determining if said electronic product contains hazardous materials, and if so, determining a hazardous materials handling expense;

determining a labor expense to remove said each of said parts from said electronic product;

entering said one or more resale prices, said one or more commodity prices, said labor expense, and said hazardous materials handling expense, if any, into a spreadsheet model;

executing said spreadsheet model to determine a highest commodity value irrespective of said one or more resale prices for one or more of said parts;

executing said spreadsheet model to determine a highest removed parts value irrespective of said one or more commodity prices for one or more of said commodities; and

executing said spreadsheet model to optimally determine whether said highest removed parts value less said labor expense or said highest commodity value is greater and which of said parts, if any, to remove from said electronic product so as to recover said largest revenue.

7. A method for determining an optimal extent to demanufacture an electronic product to

recover a largest revenue, said method comprising:

providing said electronic product for demanufacturing, said electronic product having a plurality of parts, wherein each of said parts comprises one or more commodities;

collecting a resale price for said electronic product;

collecting one or more resale prices for one or more of said parts respectively;

collecting one or more commodity prices for one or more of said commodities respectively;

determining if said electronic product contains hazardous materials, and if so, determining a hazardous materials handling expense;

determining a labor expense to remove said each of said parts from said electronic product;

entering said resale price for said electronic product, said one or more resale prices for said one or more parts, said one or more commodity prices, said labor expense, and said hazardous materials handling expense, if any, into a spreadsheet model;

executing said spreadsheet model to determine a highest commodity value irrespective of said one or more resale prices for one or more of said parts, or said resale price for said electronic product;

executing said spreadsheet model to determine a highest removed parts value irrespective of said one or more commodity prices for one or more of said commodities, or said resale price for said electronic product; and

executing said spreadsheet model to optimally determine which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest

commodity value is greater and which of said parts, if any, to remove from said electronic product, or whether to offer said electronic product for resale so as to recover said largest revenue.

8. A computer system for determining an optimal extent to demanufacture an electronic product to recover a largest revenue, said electronic product having a plurality of parts wherein each of said parts comprises one or more commodities, said system comprising:

means for collecting one or more resale prices for one or more of said parts respectively;

means for collecting one or more commodity prices for one or more of said commodities respectively;

means for determining if said electronic product contains hazardous materials, and if so, determining a hazardous materials handling expense;

means for determining a labor expense to remove said each of said parts from said electronic product;

means for entering said one or more resale prices, said one or more commodity prices, said labor expense, and said hazardous materials handling expense, if any, into a spreadsheet model;

means for executing said spreadsheet model to determine a highest commodity value irrespective of said one or more resale prices for one or more of said parts;

means for executing said spreadsheet model to determine a highest removed parts value irrespective of said one or more commodity prices for one or more of said commodities; and

means for executing said spreadsheet model to optimally determine whether said highest

removed parts value less said labor expense or said highest commodity value is greater and which of said parts, if any, to remove from said electronic so as to recover said largest revenue.

9. A computer program product for instructing a processor to determine -an optimal extent to demanufacture an electronic product to recover a largest revenue, said electronic product having a plurality of parts, wherein each of said parts comprises one or more commodities, said computer program product comprising:

a computer readable medium;

first computer instruction means for collecting a resale price for said electronic product;

second computer instruction means for collecting one or more resale prices for one or more of said parts respectively;

third computer instruction means for collecting one or more commodity prices for one or more of said commodities respectively;

fourth computer instruction means for determining if said electronic product contains hazardous materials, and if so, determining a hazardous materials handling expense;

fifth computer instruction means for determining a labor expense to remove said each of said parts from said electronic product;

sixth computer instruction means for entering said resale prices for said electronic product, said one or more resale prices for said one or more parts, said one or more commodity prices, said labor expense, and said hazardous materials handling expense, if any, into a computer model;

seventh computer instruction means for executing said computer model to determine a

highest commodity value irrespective of said one or more resale prices for one or more of said parts, or said resale price for said electronic product;

eighth computer instruction means for executing said computer model to determine a highest removed parts value less said labor expense irrespective of said one or more commodity prices for one or more of said commodities, or said resale price for said electronic product; and

ninth computer instruction means for executing said computer model to make an optimal determination of whether to sell said electronic product, or whether to remove and sell one or more of said parts from said electronic product so as to recover said largest revenue; and wherein all of said computer instruction means are recorded on said medium.

10. The computer program product of claim 9, further comprising a database comprising said resale prices, said commodity prices, said hazardous materials handling expense, and said labor expense, and wherein said database is recorded on said medium.